

FIRST QUARTER 2004 COMPUTATION AND INSTRUCTION PAGE

Due to the change in tax rate that went into effect March 01, 2004, Quarterly filers are required to compute their taxes in a little different manner than previous years. The Sales and Use Tax rate changed from 5.125% to 6.000%, effective March 01, 2004. Therefore, you will have to compute the tax for the first two months of the quarter (January and February) at 5.125% rate. Then, you'll compute the tax for March at 6.000% rate. Once you have those two amounts, you add them together and you have your tax for the First Quarter 2004. Then you will have to compute your reportable taxable sales from the calculated tax. Please carefully read the instructions. Follow the example and use the worksheet provided. Retain the worksheet for your records. This form is for the state tax only. Local taxes should be computed separately

Instructions

1. In block 2A, insert your Gross Receipts for the months of Jan - Feb, 2004.
2. In block 2B, insert any legal deductions you have for the same period of time.
3. In block 2C, subtract 2B from 2A and enter result.
4. In block 2E, multiply the amount in 2C by the tax rate of 5.125% and enter the result.
5. In block 3A, insert your Gross Receipts for the month of March 2004.
6. In block 3B, insert any legal deductions you have for the same period of time.
7. In block 3C, subtract 3B from 3A and enter result.
8. In block 3E, multiply the amount in 3C by the tax rate of 6.000% and enter the result.
9. In block 4E, add blocks 2E and 3E, enter result.
10. In block 1F, enter the amount from block 4E.
11. In block 4F, divide the amount in block 4F by .06000 and enter the quotient.
12. Enter the amount from block 4F on this worksheet to line 1A and 4A, on form ST 400.
13. Enter the amount from block 4E on this worksheet to line 5A on form ST400.
14. On the form ST 400 follow the normal instructions for line 6 on down the form.

These instructions are for Sales Tax filers but they may be used by Use Tax filers. Use Tax filers, would insert this data in column B instead of column A on form ST 400. Texarkana Tax filers can use these instructions if they insert the Texarkana rates of 6.125% in column D1 and 7.000% in column D3 for their calculations.

EXAMPLE TAX COMPUTATION

	1	2	3	4
		JAN - FEB '04	MAR '04	TOTAL TAX
A	GROSS RECEIPTS	3,000 00	4,000 00	
B	DEDUCTIONS	0 00	0 00	
C	TAXABLE SALES	3,000 00	4,000 00	
D	TAX RATE	5.125%	6.000%	
E	1 ST QUARTER TAX TOTAL	154 00	240 00	394 00

REPORTABLE TAXABLE SALES

	FIRST QUARTER 2004 TAX TOTAL	FUNCTION	1ST QUARTER END RATE	REPORTABLE TAXABLE SALES
	1	2	3	4
F	394 00	DIVIDED BY	0.0600	6,567 00

PERMIT NUMBER: _____

**WORKSHEET for Quarterly Filers
TAX COMPUTATION**

	1	2		3		4	
		JAN - FEB '04		MAR '04		TOTAL TAX	
A	GROSS RECEIPTS		00		00		
B	DEDUCTIONS		00		00		
C	TAXABLE SALES		00		00		
D	TAX RATE	5.125%		6.000%			
E	1 ST QUARTER TAX TOTAL		00		00		00

**REPORTABLE
TAXABLE SALES**

FIRST QUARTER 2004 TAX TOTAL	FUNCTION	1ST QUARTER END RATE	REPORTABLE TAXABLE SALES
---	-----------------	--	-------------------------------------

	1		2	3	4	
F		00	DIVIDED BY	0.0600		00